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SUBJECT: UNDERLYING PROBLEMS RESURFACE IN PEMEX WORKERS UNIONS

REF: (A) 06 MEXICO 5720 (B) MEXICO 3993

11. SUMMARY: Recently a group of some 40 dissidents within the Petroleum Workers Union (STPRM), the sole union for Mexico's national oil company, Pemex, briefly took over the offices of the labor organization's national headquarters. The dissidents said they took over the union headquarters as a protest against the corruption and abuse of power of the STPRM's national leader, Carlos Romero Deschamps, and to demand his removal from office. Roughly four hours after taking over the union's offices the dissidents were violently expelled from the premises by armed supporters of Romero Deschamps. The dissidents' action and the subsequent reaction by Romero Deschamps is the latest outbreak in an ongoing quarrel over the results of a disputed union election held over two years ago (Ref A). The dissidents have repeatedly appealed to the GOM to annul the results of that election and to remove Romero Deschamps from office but so far to no avail. The GOM's position is that Romero Deschamps was legally elected to office in accordance with relevant labor laws and those same laws must be followed to remove him from office. This GOM position is somewhat disingenuous since it has, at its convenience, removed duly elected union leaders from office on various previous occasions. Some labor observers suspect the GOM is reluctant to remove Romero Deschamps because he has so far been able to keep the STPRM on the sidelines and out of the current heated national debate over energy reform in Mexico. END SUMMARY.

#### BACKGROUND

12. In late 2005, the National Executive Committee of Mexico's Petroleum Workers' Union (STPRM), the sole union for the national oil company, Pemex, convoked an "Extraordinary Convention" to elect a replacement for the organization's leader, Secretary General Carlos Romero Deschamps. This previously unscheduled convention was a particularly unusual event since, at that time, Romero Deschamps still had over a year left in his term of office. Moreover, STPRM rules specifically state that elections for a new Secretary General are to be held in the last three months of the current leader's mandate.

13. It is unclear what prompted the need for this early election but speculation at the time by a dissident faction of the STPRM, known as the National Alliance of Petroleum Workers, claimed Romero Deschamps' early re-election was prompted by the fear of a Party of the Democratic Revolution (PRD) victory in Mexico's July 2006 presidential campaign. At the time of the early union election the PRD presidential candidate looked to be the sure winner in the race to become Mexico's next president. A PRD win would have given that party the power to confirm the results of the union election. Consequently, according to the dissidents, the union establishment wanted to ensure its continued control of the organization and

therefore moved forward the election of the next Secretary General in order to present the winner of the presidential election with a fait accompli.

14. According to one of Mexico City's major daily newspapers there were some eight serious irregularities in Romero Deschamps' re-election as STPRM Secretary General. A partial list of these irregularities included such things as claiming that the stated purpose of the "extraordinary convention" was to select replacements for several positions that were vacant at that time. Initially no mention was made of a plan to elect a new Secretary General. The paper claimed that the only persons allowed to vote at the convention were handpicked friends of Romero. Numerous GOM Secretariat of Labor officials were at the convention in violation of ILO convention #87. Romero Deschamps himself presided over the entire process of the convention which, from start to finish, was completed in a record three and one half hours. The results of this election were immediately contested in the courts by at least two dissent groups within the STPRM but were ultimately upheld in mid-2006.

#### THE REASONS BEHIND THE DISSIDENTS' PROTESTS

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15. Since being reelected as the national leader of the STPRM Romero Deschamps has faced an ongoing series of protests from dissidents within the union who refused to acknowledge the legitimacy of his mandate. For the most part these protests took place away from the public eye. Intra-unions disputes are fairly common in Mexico and the vast majority of them do not receive significant media coverage

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or public attention. When it initially began the STPRM intra-union dispute was something of an exception to this norm because of the importance of the political and economic role that Pemex plays in Mexico. Ultimately, however, public attention to the quarrel dropped off dramatically once the courts upheld Romero Deschamps' reelection in mid-2006. Reduced media coverage notwithstanding, the reasons behind the dispute are still very much alive.

16. According to what a member of the STPRM told Mission Labor Counselor, one of the main reasons the dissidents view Romero Deschamps' reelection as illegal is that it violates the union's previously established policy of term limits. Reportedly, STPRM statutes only allow for three consecutive six-year terms of office. Romero Deschamps' is now serving his fourth term as STPRM Secretary General because of a rule change specifically enacted to allow him to remain in office. The dissidents argue that the rule change was illegal because it was never put to a vote by the entire union membership as required by STPRM statutes.

17. The presumed illegality of Romero Deschamps' reelection, from the dissidents' perspective, was like salt in a wound in that it served to make a bad situation worse. Whatever the merits of Romero Deschamps original election as STPRM leader nearly 20 years ago during his time in office the Petroleum Workers Union gained a reputation for being one of the most corrupt labor organizations in Mexico. It has been widely reported in the press (and relayed to Labor Counselor from various sources both in and out of the STPRM) that under Romero Deschamps it is now common practice for people seeking employment with Pemex to have to pay STPRM officials large sums of money for the privilege. Something not as widely reported, perhaps because it is not yet as widely practiced, is a requirement in some STPRM locals that workers kick back a portion of their salaries to union officials. The pay and benefits package of Pemex/STPRM workers are so generous that many job seekers willingly pay whatever is asked to get themselves or a family member on the national petroleum company's payroll.

18. In addition to the above mentioned abuse of job seekers and actual employees the dissidents also claim that Romero Deschamps and his supporters regularly abuse basic worker rights. The dissidents claim elections for union official positions are normally staged and only persons approved by Romero Deschamps or senior supporters are ever allowed to win. Romero Deschamps and his supporters in the

STPRM control five of the eleven seats on Pemex's administrative board of directors. These seats give the current leadership of the union enormous influence in the hiring and promotion of rank and file workers. Moreover, because of these seats the STPRM reportedly receives two percent of the costs of all outside contracting done by Pemex and a similar percentage of the costs of all drilling operations. The STPRM leaders' control over hiring and promotions as well as their vast financial resources has, according to the dissidents, allowed them to intimidate or buy off anyone who challenges their authority or disagrees with their decisions.

#### DISCONTENT BOILS OVER

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¶9. For all of the above reasons a group of some 40 dissidents recently took over the offices of the STPRM's national headquarters. The dissidents said their action was a protest against the corruption and abuse of power of STPRM's national leader, Carlos Romero Deschamps, and a demand for his removal from office. The take over by the dissidents was immediately reported to the Mexico City police where news of the event was picked up by a reporter who called his newspaper and several colleagues from other media outlets to advise them of what was taking place.

¶10. One of the dissidents' many complaints against Romero Deschamps is that when intimidation and bribes fail to quell opposition to his leadership he routinely employs violence to get his way. This was certainly the case in this instance where, four hours after the dissidents took over the STPRM offices; over 200 supporters of Romero Deschamps appeared to take back the premises. According to reporters who quickly arrived on the scene the Romero Deschamps supporters arrived visibly armed with clubs and pistols. Approximately 20 minutes later the dissidents had been violently expelled from the STPRM offices reportedly on the direct orders of Romero Deschamps. The reporters on the scene noted that the dissidents were beaten and bloody by the time they were forcibly expelled from the STPRM offices. There is no indication that the police, who clearly knew of the occupation of the STPRM offices, ever showed up to compel the dissidents to leave or to in anyway

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prevent or mediate the violence that ensued once the supports of Romero Deschamps arrived on the scene.

#### DISSIDENTS APPEAL IN VAIN TO GOM FOR REDRESS

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¶11. The day following the take over by the dissidents of the STPRM offices both they and the union filed charges and counter-charges against each other with the appropriate judicial authorities. The dissidents accused Romero Deschamps and his supporters of assault; for their part the STPRM accused the dissidents with criminal trespass. Later that same day the dissidents held a press conference where they again called for Romero Deschamps' expulsion from leadership of the STPRM and appealed to Mexican President Felipe Calderon to make this happen.

¶12. President Calderon did not respond directly to the appeal from the dissidents. However, his Secretary of Labor, Javier Lozano Alarcon, did address the matter of the STPRM intra-union dispute in response to specific questions from the press. Secretary Lozano made it clear that the GOM had no basis legally for removing Romero Deschamps from his position as head of the STPRM. According to Secretary Lozano, Romero Deschamps was elected to office in accordance with relevant labor laws and a legal challenge to his election was dismissed by the courts. Continuing on, the Labor Secretary said that those same laws must be followed in order to remove the STPRM leader prior to the end of his term of office. (Note: Legally an elected and officially recognized labor leader can be removed from office at any time if he/she is convicted of a felony charge or if the union holds elections to remove one leader by electing another.)

¶13. The Petroleum Workers Union (STPRM) is one of the most important labor organizations in Mexico. It has at least 100,000 members, it has vast financial resources and it is a member of the Confederation of Mexican Workers (CTM), the largest labor federation in the country. Carlos Romero Deschamps is a member of the CTM's National Executive Committee and, on paper at least, is the next in line to become the national leader of the CTM. Romero Deschamps has a long term working relationship with President Calderon dating back to before his presidential election when he worked in the previous administration as the government's Secretary of Energy.

¶14. One of the most prominent and emotionally charged priorities of the Calderon administration is a major legislative overhaul of Mexico's energy sector. Energy reform is a hotly debated topic in Mexico and is currently being debated at almost all levels of Mexican society. The GOM is looking for allies to help sell its proposals to the Mexican congress and people. Thus far the STPRM, which could theoretically bring a great deal of information, for good or ill, into any discussion of energy reform, has remained quiet and completely outside of the debate. This studied "no comment" stance by the STPRM may well be one of the reasons why the Calderon administration has taken a hands-off approach to the ongoing dispute within the Petroleum Workers Unions.

¶15. For all of his faults, many labor observers recognize that Carlos Romero Deschamps and his supporters have maintained repressive but firm control over the STPRM. This control is being used to keep the union out of the energy reform debate and this fact cannot have gone unnoticed by the Calderon administration. Consequently, when the GOM's Secretary of Labor says that Romero Deschamps was legally elected to office in accordance with relevant labor laws and those same laws must be followed to remove him from office the government is being somewhat disingenuous. The GOM has, at its convenience, found ways to remove duly elected union leaders from office on various previous occasions. It could well be that the GOM has chosen to remain aloof from the STPRM intra-union dispute because there is no legal basis for it to do otherwise. However, it is just as possible that the GOM is prepared to overlook allegations against Romero Deschamps as long as he ensures that the STPRM stays away from the ongoing national debate on energy reform.

GARZA